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S E C R E T SECTION 01 OF 02 TAIPEI 002509

SIPDIS

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TAGS: [ETTC](#) [PARM](#) [PINR](#) [PREL](#) [PTER](#) [TW](#)

SUBJECT: SCHEDULING EXPORT CONTROL VISITS WITH TAIWAN

REF: A. TAIPEI 2496

- [1](#)B. STATE 104043
- [1](#)C. TAIPEI 2475
- [1](#)D. TAIPEI 1780
- [1](#)E. TAIPEI 1501
- [1](#)F. TAIPEI 543

Classified By: AIT DIRECTOR DOUGLAS H. PAAL, REASON 1.5 (b), (d), (h)

[1](#)1. (U) Action request in para. 11.

[1](#)2. (S) Summary. AIT/T Deputy Director met June 8 with Wang Hsi-tien, Deputy Director General of Taiwan's National Security Council (NSC), to discuss ongoing cooperation on export controls. Taiwan is feeling pressure to send a high-level nonproliferation delegation to Washington and, at the same time, has been long expecting a U.S. experts delegation to come to Taipei to help design and implement a more effective export control regime. While Wang looks forward to the opportunity to visit Washington and discuss Taiwan-U.S. cooperation, he believes that it would be most useful to have the experts group visit Taipei prior to his visiting Washington. Recent messages from TECRO/W stating that Wang would be visiting Washington in July are premature and TECRO/W should be correcting the record in the near future. AIT/T recommends that Washington Agencies consider scheduling the U.S. experts visit to Taipei prior to Wang visiting Washington. End Summary.

[1](#)3. (S) AIT/T Deputy Director met June 8 with Wang Hsi-tien, Deputy Director General of Taiwan's National Security Council (NSC). AIT discussed ongoing cooperation between the U.S. and Taiwan to enhance Taiwan's export control regime and delivered the demarche contained in ref B regarding continued dealings by a Taiwan machine tool company with Iran, which had been presented to the Board of Foreign Trade June 7 (ref A).

[1](#)4. (C) Wang said that he and his government understand that the U.S. would like to have a high-level delegation from Taiwan visit the U.S. to discuss export control issues. Wang said that he would be pleased to lead such a delegation to the U.S. at any time. However, he also expressed a degree of frustration over the delay in sending a team of experts from the U.S. to assist the Board of Foreign Trade (BOFT) to design and implement an effective export control regime to handle exports of machine tools to North Korea (DPRK). From Taiwan's perspective, Wang said it would be most useful to complete work on the issues discussed during the February 1-2 visit to Taipei by the U.S. delegation and then to have a follow up senior-level meeting to discuss progress made and next steps.

[1](#)5. (C) Wang said that, during the February meetings, Taiwan had agreed to establish three working groups: one on exchanging intelligence information, a second on investigating the Supernote case of counterfeit U.S. currency and a third one on enhancing Taiwan's export control regime (ref F). Most of the discussion centered on the export control working group.

[1](#)6. (C) Wang noted that cooperation on the Supernote Working Group is proceeding very well, with a USSS agent already in Taiwan and working closely with the Taiwan prosecutor in charge of the investigation. However, he said the export control working group has been delayed as Taiwan has been expecting expert input from the U.S. on ways to enhance sharing of intelligence information and to improve Taiwan's export control processes. As reported in ref C, BOFT has developed a proposal to require Taiwan firms to obtain an export permit before shipping machine tools to the DPRK. On June 3, BOFT provided its draft proposal to AIT and requested U.S. comments on the draft.

[1](#)7. (S) Both Wang and BOFT (refs A and C) expressed a great deal of interest in sharing intelligence information with the U.S. They emphasized that Taiwan has little information about how goods shipped from Taiwan may be rerouted or forwarded on to destinations of concern. AIT delivered the talking points contained in ref B to Wang and told him we had delivered the same points to BOFT the day before. Wang said

the information that Ecoma may be continuing to conduct business with Iran is a prime example of how the U.S. and Taiwan can usefully share intelligence information. He also said that he has directed Taiwan's National Security Bureau and the Ministry of Justice Investigation Bureau to monitor DPRK businessmen who come to Taiwan. In particular, he said Taiwan is monitoring conversations and dealings that DPRK visitors have with Taiwan firms. (Comment: The clear implication from Wang and BOFT was that the U.S. would be supplying the bulk of the intelligence information. End Comment.) The Deputy Director noted that the initiatives Wang had just described could prove very useful. He said that he was sure that Taiwan would have abundant useful intelligence information to share with the U.S.

Confused Schedules

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18. (C) Currently, Wang and various agencies in the Taiwan Government are actively planning a delegation to visit the U.S. AIT understands that TECRO/W has already informed Washington Agencies that Wang would lead a delegation to Washington in July. According to Wang, that message was delivered prematurely. While we were in his office, Wang instructed his staff to check with the Ministry of Foreign Affairs to check on why the message had already been delivered to AIT/W and Washington Agencies. Wang said that he will consult further with MOFA and have TECRO/W deliver a revised message to Washington Agencies. The revised message would reflect his view that it makes more sense to have the experts group from the U.S. visit Taiwan prior to his visit to Washington.

Comment

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19. (C) There are three distinct visits currently being contemplated regarding export control policy: 1) Wang's visit to Washington, 2) a small experts group from Washington to Taiwan, and 3) the second round of EXBS training. In our view, these three visits have become somewhat tangled. Wang's visit has become particularly enmeshed with the U.S. experts visit to Taiwan. BOFT has been waiting since early February for the experts visit and, feeling the pressure to produce an export control plan, has done so without benefit of U.S. input. Wang, feeling the pressure to demonstrate Taiwan's commitment to nonproliferation, has set in motion a visit to Washington. Alongside these events, the first round of EXBS training went so well that the Taiwan agencies have been pressing for quickly scheduling the rest of the training. The contractor for EXBS training has already advised AIT/T that it wishes to hold the second round of EXBS training July 12-15.

110. (S) While we do not know scheduling concerns of Washington Agencies, Wang's analysis seems reasonable that the most efficient use of resources, both in Taiwan and the U.S., would be to first schedule the visit by U.S. experts to assist BOFT to design and implement its export control regime. Following such a visit, Wang could lead a delegation to Washington to reciprocate the February visit to Taipei and talk about future steps. Wang is clearly prepared to come to Washington in July and deliver assurances of Taiwan's commitment to nonproliferation and cooperation with the U.S. His first priority at this point, which we believe the U.S. should support, is to follow up on the issues discussed at the February meeting and find ways to enhance quickly Taiwan's export control regime. End Comment.

111. (C) Action Request: We request direction on how to respond to Wang's proposal that Washington agencies consider scheduling an experts group to visit Taiwan to consult with NSC, NSB and BOFT. End Action request.  
PAAL